

LAW AND THE ART WORLD

Answering readers' questions and concerns

By Bill Frazier ©2015

A number of readers have asked about tax issues and, as always, tax matters are controversial and in our focus at this time of year. One of the biggest changes for tax returns this year is the reduction of Section 179 tax deductions for the purchase of business-related equipment from \$500,000 to \$25,000. This section allows business expenses to be written off up to this limit each year rather than being depreciated over a number of years, and can save taxpayers thousands of dollars when properly implemented.

This allows artists and galleries to write off in one year items that are purchased for a gallery or studio, for example, studio props, furniture, and office equipment such as computers and printers, telephones and other business-related items. The same applies to anyone operating an office or other business and needing new equipment. The procedure is the same but the limits have been reduced.

Without going into detail, many of the customary deductions that had been threatened have now been extended through the end of 2014, only. For those of you involved with nonprofit, or tax-exempt organizations, the tax-free distributions from IRAs for charitable purposes (IRA charitable tax rollover) for persons over 70 years old have also been extended through the end of 2014, and so will apply to current income taxes.

Please consult your accountants for more specific information. There will be different laws for 2015 and into the future, but you cannot rely on this extension for 2015 taxes.

Are artists entitled to information about purchasers?

The question of whether an artist is entitled to the names and addresses of purchasers of their work from galleries has arisen once again. While galleries often feel that this is proprietary business information of the gallery, artists frequently want this information for their own records. In most states, the law on this is unsettled.

A few states, California and Oregon for example, have laws requiring the gallery to provide such information to artists upon request. Most states do not address this.

As with most matters, there are compelling arguments on both sides. The gallery wants

to discourage the artist from selling directly to a gallery customer, while the artist wants a record of where his art work went.

Those interested in this issue may look in your respective state laws under terms such as art, artist, art gallery, consignment, or bailment, for possible laws on the subject. However, this is a matter that can be resolved in the artist-gallery representation agreement, some version of which everyone should have.

Have an up-to-date will

Several times in the past, I have written in this column about wills, the estates of artists and the disposition of artwork. Once again, I have heard of artists destroying inventories of their work because they were afraid of leaving their heirs with estate tax problems due to concerns over the estimated high, or subjectively high, values of the artwork. Rarely is this a problem.

I know that politicians love to talk about "death" taxes and estate taxes, but the reality is that very few people have to pay them. Many states have no estate tax at all, no matter how high the value, and the current federal estate tax exemption is over five million dollars per person. For most people, this simply is not a problem.

For the few lucky ones who do have this problem, or perceived problem, there are many solutions available through estate planning techniques available from tax lawyers and CPAs. Whatever your concerns, seek advice before resorting to such extreme steps as destroying artwork.

By all means, make sure that you have an up-to-date will providing for the distribution of your general-estate assets, and specific art works that are important to you. Make sure to leave instructions for your personal representative (executor) as to the disposition of your artwork. Do not assume that that person will know what to do with it or where you want it to go.

Probate laws in most states allow for you to have a separate written document listing items of personal property, such as artwork, heirlooms and such, to be left to specific persons or organizations. This list should be left with your will and, in most states, the personal representative is required to honor it. The good thing about such a list is that it can be changed



Bill Frazier

if you change your mind, or otherwise dispose of the artwork, without having to change your will.

The artwork of most artists and the collections of art collectors are very important so do not leave their disposition to chance. Remember, it is your artwork or your collection, so you can do whatever you wish with it, but you must specify in your will.

U.S. copyright website is a useful resource

Once again, I refer readers to the United States Copyright website, www.copyright.gov, for up-to-date copyright information. It is very user-friendly and discusses virtually all matters relating to the copyright office and registration of copyrights, along with much general helpful information.

That is the place to look first for information about what is copyrightable, fees, definitions, what is infringement, and what are the remedies. It also offers answers to many frequently asked questions, defines fair use and provides many discussions of best practices.

For professional artists, galleries and collectors, this is all helpful information, and you are expected to be familiar with it. As with all laws, there are frequent changes, and this is a good site for staying informed and up to date.

Bill Frazier served a lengthy and invaluable tenure as chairman of the Montana Arts Council. He can be reached at artlaw@itstriangle.com. MAC thanks *Art of the West* for permission to reprint this series.



21

Don't forget Instagram

If your nonprofit is active on social media, you're probably using Facebook and Twitter to spread the word. But one tool you don't want to overlook is Instagram.

This app allows users to share photos and videos on multiple social networking platforms, and apply digital filters to make them more visually appealing.

Here are four ways your nonprofit can use Instagram to your advantage:

- **Be eye-catching.** Forget about statistics. Use visual subject matter and engage in storytelling. Share images that inspire people. Every picture should tell a story about your work.

- **Use hashtags.** A great way to get new people to discover your profile: relevant hashtags. Tie your content to Instagram trends by using hashtags like #tbt (Throwback Thursday) and #regram (re-post).

- **Instigate.** Ask your followers to engage, and then engage back. What gets people most involved?

- **Keep your eyes and ears open.** Look for common hashtags that apply to your work and read what people are posting. Use this to drive your content.

Info: is.gd/Instagram278

– Reprinted with permission from the *Nonprofit Board Report*, 370 Technology Drive, Malvern, PA 19355; 800-220-5000

Tech Talk: Lots of learning available on YouTube

Until last winter, I hadn't thought much about YouTube, the very popular video-sharing site, for at least a few years. Why? I wasn't much interested in cat videos, sports highlights or videos of monster trucks crushing cars.

But last fall, I picked up an older electronic piano for a bargain at a yard sale to give learning to play the piano another try and see if I would stick with practicing over the winter. I had tried the piano in the past with no luck; but with age comes patience (usually), and I wanted to give it another go.

Of course, I did Google searches on how to learn to read music, find printable chord charts and other tidbits for piano beginners. I figured there had to be something out there for the beginning piano player, and even though my work and life seems to center around the internet, I was surprised with what I found: YouTube has become a great educational resource for almost anything you want to learn.

There are still lots of cat videos (and I confess I've watched a few videos of border collies, because I own one). But there are millions of people who run their personal YouTube "channel" with their work and

make money at it through advertising. (Google bought YouTube nine years ago, and it shows). But the video resources for learning many skills in music and the arts are amazing, and they're free.

There must hundreds of different people offering piano tutorials alone. The quality of the piano videos range from the amateur who duct tapes a video camera to a floor lamp and aims it at their piano, and run all the way to the professionals who use video production techniques to superimpose sheet music and MIDI (Musical Instrument Digital Interface) output to show you exactly which keys to play as indicators sweep across the musical notation.

You'll be able to find as many early lessons as you need to get going. And you can buy more advanced lessons, books and CDs, too. But for a beginner, all you really need to get started is free.



Mark Ratledge is a WordPress consultant. Check his website at markratledge.com.

Of course, nothing can substitute for a human teacher, be it piano or painting or anything else, but beginning on YouTube can give you a good idea if you've got the motivation to learn an instrument and stick with it.

One caveat: YouTube doesn't give you an option to download videos so you can watch them offline as stand-alone films. But it is possible to download videos any-

way if you have a little technical know-how. Google for "browser extension download youtube" and you will find an add-on for your favorite browser that will give you a one-click method to download the video from YouTube and convert it from Flash to a regular digital movie on your hard drive. That way, you can watch video lessons offline and away from the distractions of the rest of the browser.